## Message Text

CONFIDENTIAL

PAGE 01 SINGAP 00017 030528Z

13

**ACTION EA-10** 

INFO OCT-01 ISO-00 MC-01 ACDA-05 EUR-12 PM-03 NSC-05 SP-02

SS-15 RSC-01 CIAE-00 INR-07 NSAE-00 EB-07 L-02 OMB-01

NIC-01 /073 W

----- 048125

P 020825Z JAN 75

FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC PRIORITY 1763

SECDEF PRIORITY

CINCPAC PRIORITY

INFO DIA PRIORITY

CNO PRIORITY

CONFIDENTIAL SINGAPORE 0017

SECDEF FOR ISA

E.O. 11652: GDS

TAGS: MARR, MPOL, SN

SUBJECT: SOVIET SHIP REPAIRING SINGAPORE

1. ON DECEMBER 30 FOLLOWING CONVERSATION TOOK PLACE BETWEEN PERM SEC MINDEF (PANG) AND EMBASSY NAVAL ATTACHE: WHILE DIS-CUSSING AN UNRELATED SUBJECT, PANG ASKED ATTACHE' WHAT USG REACTION WOULD BE TO RUSSIAN CIVILIAN SHIPS UNDERGOING REPAIR AT SEMBAWANG SHIPYARD. ATTACHE REPLIED USG WOULD OBJECT. HE WAS UNDER IMPRESSION THAT A "GENTLEMEN'S AGREEMENT" EXISTED TO EFFECT THAT SOVIET SHIPS WOULD NOT USE THAT END OF THE ISLAND. FURTHER ATTACHE' BELIEVED THIS COINCIDED WITH UK POSITION AND POINTED OUT THAT UK WAS PARTY OF PRIMARY INTEREST AS RESIDENT OF NAVAL BASE. PANG THEN EVIDENCED SOME SURPRISE THAT U.S. HAD NOT BEEN CONSULTED BY UK ON THIS MATTER. HE SAID QUESTION HAD BEEN RAISED WITH BRITISH, AND, WHILE NO ANSWER HAD BEEN RECEIVED, PANG INDICATED HE EXPECTED UK WOULD NOT OBJECT. HE WONDERED WHAT U.S. REACTION WOULD BE IN THAT EVENT. ATTACHE RESPONDED THAT U.S. POLICY ON THIS WAS CLOSELY TIED TO THAT OF UK, IF FOR NO OTHER REASON THAN WE WERE IN POSITION OF GUESTS AT UK NAVAL FACILITY. HE WOULD CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SINGAP 00017 030528Z

EXPECT UK TO DISCUSS MATTER WITH U.S. AND COULD NOT FORE-

SEE SITUATION IN WHICH U.S. AND UK OFFICIAL POSITIONS WOULD DIFFER. ATTACHE' POINTED OUT THAT ANY OBJECTION WOULD BE BASED ON SECURITY CONSIDERATIONS WHICH COULD AFFECT SHIP SCHEDULING INTO SEMBAWANG. PANG SAID THAT BRITISH LACKED GROUNDS FOR OBJECTION; THAT UK DID NOT GIVE SEMBAWANG SIGNIFICANT WORK (IMPLICATION THAT NEITHER DID U.S.); AND THAT WITH HARD ECONOMIC TIMES THE SHIPYARD "MUST CONTINUE TO EXIST". FURTHER HE STATED THAT WITH RUSSIAN SHIPS IN SEMBAWANG SHIPYARD WE AND THE BRITISH HAD PLENTY OF OPPORTUNITY TO WATCH THEM AND TO PUT OUR OWN "SPIES ON BOARD".

- 2. ATTACHE' ADVISED UK HIGH COMMISSION (DEFENSE ADVISOR) OF ABOVE WHO ACKNOWLEDGED QUESTION HAD BEEN RAISED WITH THEM BY MINDEF AND REFERRED TO LONDON. THEY ARE NOW AWAITING INSTRUCTIONS.
- 3. COMMENT: BELIEVE GOS (SEMBAWANG SHIPYARD) HAS FIRM OFFER FOR SOVIET TANKER OVERHAUL IN MID-JANUARY, AND PANG, AS DIRECTOR, MOST ANXIOUS TO ACCEPT JOB. UK'S ANNOUNCED WITHDRAWAL OF FORCES REMOVES MOST OF LEVERAGE BRITISH (AND INDIRECTLY U.S.) HAVE HAD TO EXCLUDE SOVIETS. IT HAS BEEN OBVIOUS FOR PAST TWO YEARS OR SO THAT INCREASING COMPETITION FOR SHIP REPARIS BUSINESS IN SINGAPORE, LARGELY DUE TO RAPIDLY EXPANDING REPAIR FACILITIES, COULD IN TIME FORCE SEMBAWANG TO MAKE AVAILABLE ITS FACILITIES TO SOVIETS. RECENT ANNOUNCEMENT OF BRITISH PULLOUT FROM SINGAPORE AND REDUCED U.S. SEVENTH FLEET REPAIR WORK ACCOMPLISHED IN SINGAPORE HAVE ADDED PRESSURE ON SEMBAWANG MANAGEMENT TO CHANGE ITS ATTITUDE REGARDING ACCEPTANCE SOVIET REPAIR WORK.
- 4. WE THINK WE STAND POOR CHANCE OF AVERTING THIS CHANGE IN POLICY IN LONG TERM SINCE COMMERCIAL CONSIDERATIONS ARE OF GREAT INTEREST TO GOS. HOWEVER, IF WASHINGTON CONSIDERS IT IMPORTANT WE ATTEMPT KEEP SOVIET COMMERCIAL VESSELS OUT OF SEMBAWANG FACILITY FOR SECURITY OR OTHER REASONS. ONLY CHANCE WE HAVE OF SUCCESS IS JOINT STRONG UK/U.S. EFFORT PRESSURE GOS TO TURN ASIDE THIS COMMERCIAL

OPPORTUNITY. EVEN IF SUCH EFFORT MADE, GOS
MIGHT ONLY AGREE IF SOME COMMITMENT CAN BE MADE TO
INCREASE UK/U.S. USAGE OF SEMBAWANG WHICH, FROM THIS VANTAGE
POINT, DOES NOT SEEM TO BE IN CARDS. WE ALSO ARE UNCERTAIN OF IMPORTANCE OF SECURITY CONSIDERATIONS INVOLVED WHICH ONLY USN CAN
ASSESS.

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PAGE 03 SINGAP 00017 030528Z

(END COMMENT. CRONK

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## Message Attributes

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Subject: SOVIET SHIP REPAIRING SINGAPORE TAGS: MARR, MPOL, SN, UR
To: STATE CINCPAC

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